

Orange County

A Look at a Full Service System



"Triple Double"

	High-Speed	Telephone	Digital
Launch date	4Q96	3Q97	4Q97
Homes passed	298,526	152,204	298,526
Customers	33,696	25,189	40,031
Penetration	11 %	17 %	13%

Orange County A Glimpse of the Future



Two years after launch of all 3 new services ...

	98 vs 97	99 vs 98
Revenue	22%	28%
OCF *	6%	30%

A sign of things to come !!

* Excludes allocation of corporate overhead

Substantial Opportunities For Value Creation



< Residential Broadband Services Future Services

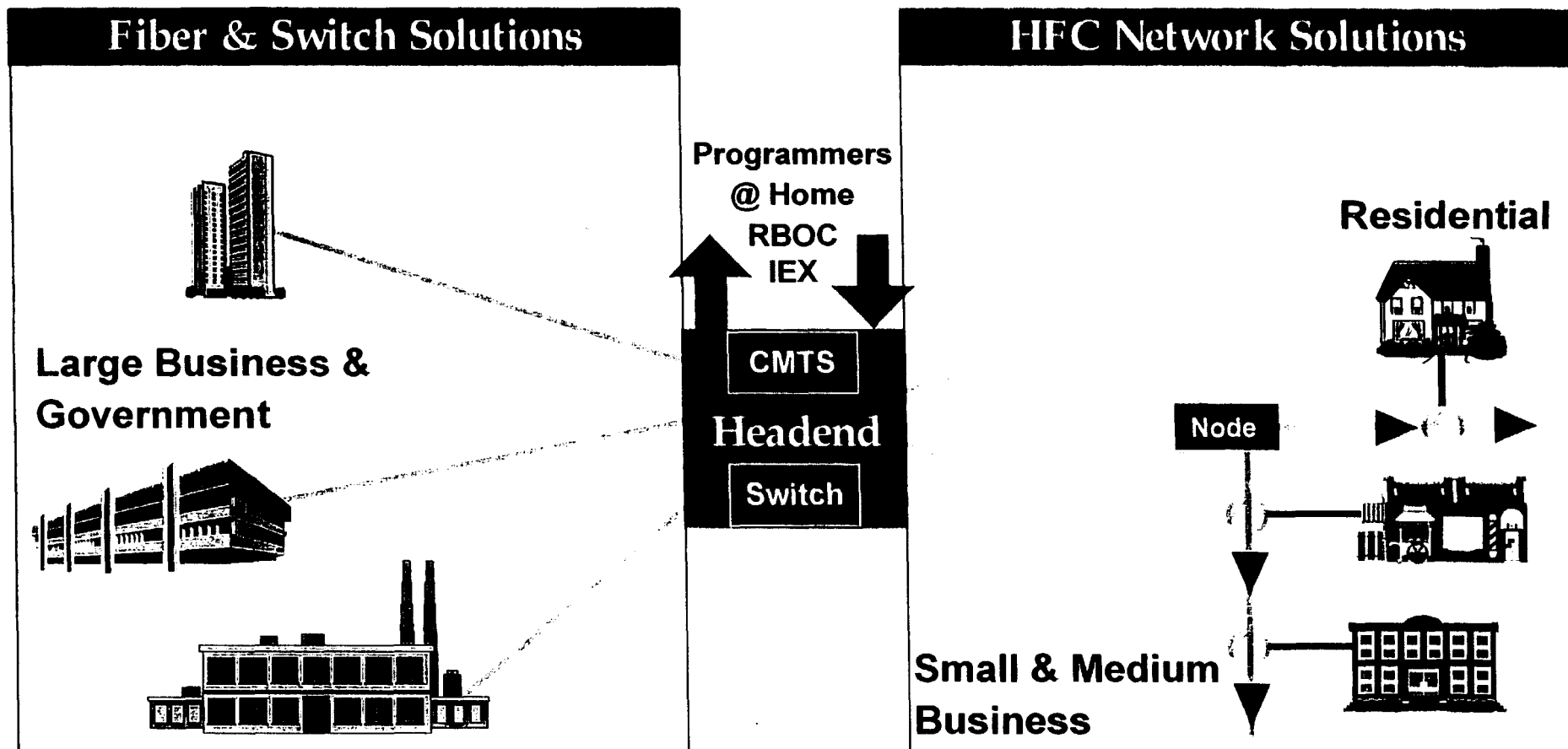
- ◆ Cox Core Cable
- ◆ Cox Digital TV
- ◆ Cox Digital Telephone
- ◆ Cox@Home
- ◆ e-Commerce
- ◆ Internet to TV
- ◆ Video-on-Demand
- ◆ Targeted Advertising
- ◆ Energy Management
- ◆ Home Security Monitoring

< *Commercial Broadband Services*

- ◆ *Private Line & CLEC*
- ◆ *HFC Services to Small and Medium-Sized Businesses*

Leverage the Power of Broadband Network

Network for All Market Segments



Leveraging the Existing Infrastructure

Large Business Segment Strategy Employed



< Direct Fiber Connections

- ◆ 938 Buildings Connected at 2Q99

< Contracts Guarantee Revenue Stream

- ◆ 5 Year Contracts - 1 Yr. Min. With 15% Remaining Term
- ◆ 270 Contracts at 2Q99 in Hampton Roads

< Effective Marketing in High Growth Cities

- ◆ 8 Cities in Operation at 2Q99

Large Business Segment Growth Opportunity



< Doubling of Revenue

- ◆ 98 Revenues = \$25 Million
- ◆ 99 Estimated Revenues = \$50 Million

< Higher Margin than Traditional CLEC's

- ◆ 45% - 50%
- ◆ Leveraging Existing Operations
- ◆ Facilities Based Provider

Small & Medium Business Segment Leverage Existing Strengths



< Residential Telephone Experience

- ◆ Existing Headend & Switch
- ◆ Qualified People - Technicians, Maintenance
- ◆ Local Presence
- ◆ Brand & Image

< Minimal Incremental Capital Cost

- ◆ Utilize Existing Infrastructure & Back Office
- ◆ No Additional Fiber Needed

Small & Medium Business Segment Opportunity Abound



- < Opportunistic Competition**
 - ◆ Underserved by RBOC and LD companies**
 - ◆ Lower Cost Provider versus Competition**

- < COX Markets Contain 400k Small & Medium Businesses (<100 employees)**
 - ◆ Represents \$3.3 Billion in Telecommunications Revenue**

Small & Medium Business Segment

Several Products Offered



< Voice

- ◆ **Local**
- ◆ **Long Distance**

< Data

- ◆ **High-Speed Connection**
- ◆ **Web Site Hosting / e-Commerce**

< Video

Small & Medium Business Segment

Next Steps



- < Commercial Growth Follows Expansion of HFC Residential Telephone Footprint**
- < Aggressively Ramping Up Corporate and Field Resources in 1999 and 2000**
- < Initiating Marketing and Brand Awareness Campaign**

Substantial Opportunities For Value Creation



< Residential Broadband Services *Future Services*

- ◆ Cox Core Cable
- ◆ Cox Digital TV
- ◆ Cox Digital Telephone
- ◆ Cox@ Home
- ◆ *e-Commerce*
- ◆ *Internet to TV*
- ◆ *Video-on-Demand*
- ◆ *Targeted Advertising*
- ◆ *Energy Management*

< Commercial Broadband Services *Home Security Monitoring*

- ◆ Private Line & CLEC
- ◆ HFC Services to Small and Medium-Sized Businesses

Leverage the Power of Broadband Network

What is Interactive TV ?



< Interactive Services

- ◆ E-Mail
- ◆ Interactive Starters
- ◆ Web Browsing
- ◆ Enhanced TV
- ◆ Instant Messaging

< Video-on-Demand

- ◆ Movies-on-Demand
- ◆ TV-on-Demand
- ◆ Time-Shifted TV

Why Interactive TV Now?



- < **Competition Is Intensifying**
 - ◆ **Non-video Products Will Impact Customer Choice**

- < **Technology Is Becoming Available**
 - ◆ **Next Generation Set Top & Server Platforms**
 - ◆ **IP Technology Can Be Leveraged Into ITV**

- < **Continued Growth of the Internet**

Interactive TV Strategy

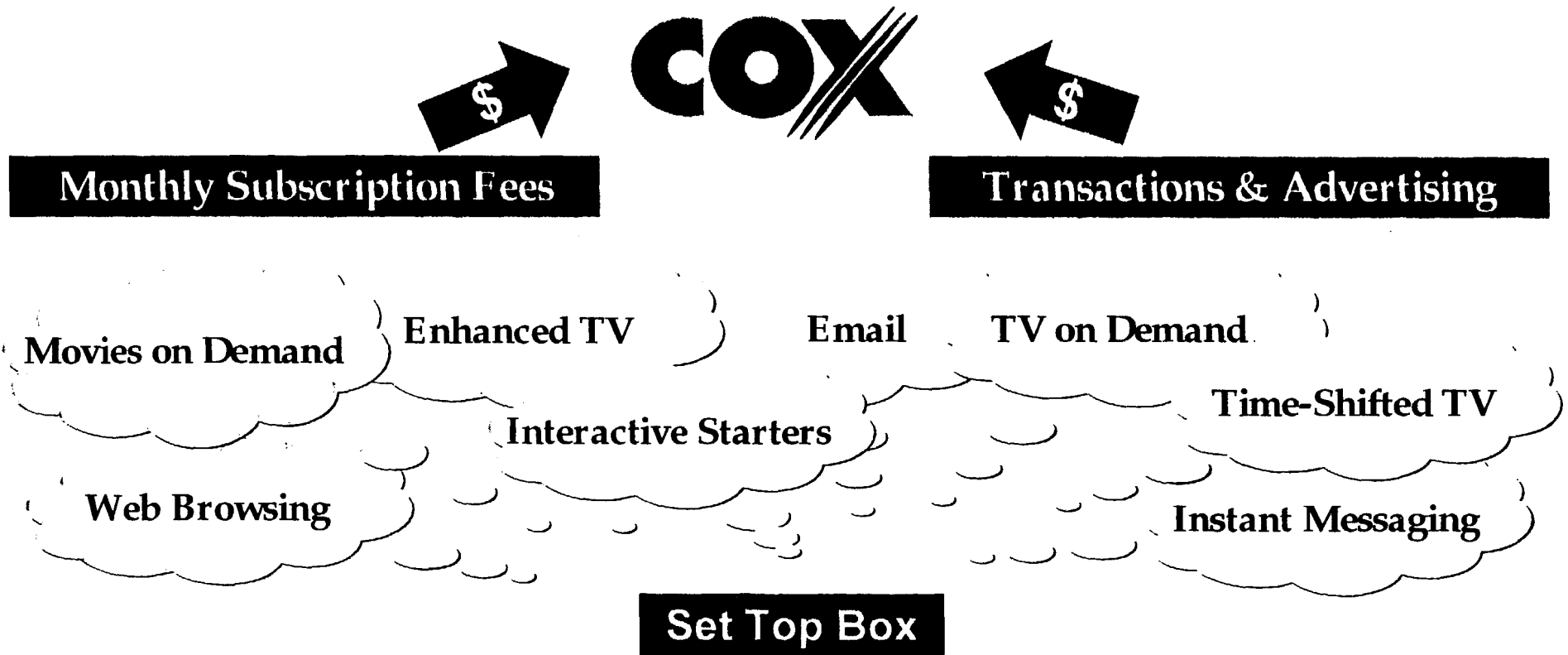


- < **Continue to Build Core Infrastructure**
 - ◆ **Digital Two-way Video Platform**

- < **Evaluate Multiple Software Platform Vendors**
 - ◆ **Models**
 - ◆ **Consumer Demand**
 - ◆ **Technology**

- < **Trial Test in First Half of 2000**
 - ◆ **Technology**
 - ◆ **Consumer Demand**

Interactive Services & Video-on-Demand



Opportunity to Generate \$15 or More Per Month